

EXHIBIT B

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 21, 2015
SCC-CLERK'S OFFICE
DOCUMENT CONTROL CENTER

COMMONWEALTH OF VIRGINIA, *ex rel.*

2015 JAN 21 P 2: 22

STATE CORPORATION COMMISSION

CASE NO. INS-2015-00007

Ex Parte: In the matter of an examination of
Group Hospitalization and Medical Services Inc.

ORDER INITIATING PROCEEDING AND DIRECTING REPORT

In accordance with § 38.2-4229.2 of the Code of Virginia ("Code"), if another state enacts a law that requires a health services plan operating in the Commonwealth of Virginia ("Commonwealth") to provide a program or benefits for the residents of the other state, then the State Corporation Commission ("Commission") may conduct a proceeding to review and evaluate the impact of the law on the health services plan.

Group Hospitalization and Medical Services Inc. ("GHMSI") is a health services plan, as defined by § 38.2-4201 of the Code, that operates in the Commonwealth as well as the District of Columbia ("D.C."). On December 30, 2014, the D.C. Department of Insurance, Securities and Banking ("DISB") found that as of December 31, 2011, GHMSI's surplus was excessive and that 21% of GHMSI's surplus is attributable to D.C. The DISB ordered GHMSI to submit a plan to the D.C. Commissioner for dedication of its excess of 2011 surplus attributable to D.C. for community health reinvestment in a fair and equitable manner. Accordingly, pursuant to § 38.2-4229.2 of the Code, the Commission may conduct a proceeding to evaluate the impact of this law on GHMSI.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should initiate a proceeding pursuant to § 38.2-4229.2 of the Code. We will direct the Commissioner of Insurance to conduct an examination of GHMSI pursuant to its examination

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authority under §§ 38.2-1317 and 38.2-4229.2 of the Code and to report her findings to the Commission. The report shall include, at a minimum, the impact of the DISB's order on: (i) surplus; (ii) premium rates for residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state; and (iii) solvency.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. INS-2015-00007.

(2) On or before February 27, 2015, the Commissioner of Insurance shall file a report in accordance with the directives outlined above and §§ 38.2-1317 and 38.2-4229.2 of the Code, including a recommendation as to whether the impact of the DISB order on GHMSI is harmful to the interests of residents of the Commonwealth covered by policies issued or delivered either in the Commonwealth or in any other state.

(3) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Jacqueline C. Cunningham, Commissioner of Insurance, and Deputy Commissioner Douglas C. Stolte, in the Commission's Bureau of Insurance; and a copy shall be delivered to Donald C. Beatty, Senior Counsel, in the Commission's Office of General Counsel.